

A. 61

From: Romain, Gary: Finance (LDN)
Sent: Thu, 18 Sep 2008 12:12:19 GMT
To: Owen, Caroline: Finance (LDN); Rudduck, Mark: Markets (LDN); Montaudy, Beatrice: Finance (NYK); Yang, Jasen: Markets (NYK); Regan, David: Finance (LDN)
CC: Logozzo, Joseph: Markets (NYK); Moreira, Nicholas: EDG (NYK); Chapman, Paul: Operations (LDN); Rodefelf, John: Operations (NYK); Walker, James: Finance (NYK); Weidler, Chris: Finance (LDN); Utley, Charles: Finance (NYK); Morton, Marcus: Finance (NYK); Versluys, Roger: Finance (LDN)
Subject: Re: Long Island Asset Booking.

It's essential there is a coordinated approach to how assets are brought on to barclays balance sheet (which entities acquire which assets, how/where negative goodwill recognised, how ringfenced for acquisition accounting, etc).

Beatrice, can we catch up when I get in? I've heard nothing about an spv plan and generation of gain in plc - would require accounting consideration before could proceed. James, Chris, Charles, Marcus, Roger - fyi.

Regards,

Gary

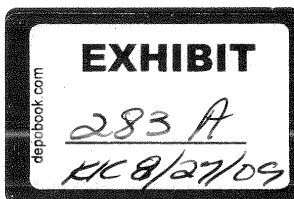
From: Owen, Caroline: Finance (LDN)
To: Rudduck, Mark: Markets (LDN); Montaudy, Beatrice: Finance (NYK); Yang, Jasen: Markets (NYK); Regan, David: Finance (LDN); Romain, Gary: Finance (LDN)
Cc: Logozzo, Joseph: Markets (NYK); Moreira, Nicholas: EDG (NYK); Chapman, Paul: Operations (LDN); Rodefelf, John: Operations (NYK)
Sent: Thu Sep 18 12:54:58 2008
Subject: RE: Long Island Asset Booking.
Mark just left you voicemail, are you referring to a technical accounting viewpoint on this? We are up to our necks in the LEH unwind right now so my brain may have missed something in the mail.

if so Gary who is a good contact in NY?

Many thanks

C

From: Rudduck, Mark: Markets (LDN)
Sent: 18 September 2008 12:34
To: Montaudy, Beatrice: Finance (NYK); Yang, Jasen: Markets (NYK); Owen, Caroline: Finance (LDN); Regan, David: Finance (LDN)



Cc: Logozzo, Joseph: Markets (NYK); Moreira, Nicholas: EDG (NYK); Chapman, Paul: Operations (LDN); Rodefelf, John: Operations (NYK)
Subject: RE: Long Island Asset Booking.
Importance: High

We'd need to involve Finance re the potential sale to an SPV of PLC.

Caroline / Dave - pls can you co-ordinate a response with your colleagues in Finance.

Clearly the answer is also a function of the number of positions / trades / volumes that we're talking about. Do you have any figures Beatrice ?

I assume that it is many thousands of positions / trades, which would mean booking in any entity not set up to process equities would be a problem.

From: Montaudy, Beatrice: Finance (NYK)
Sent: 18 September 2008 12:20
To: Rudduck, Mark: Markets (LDN); Yang, Jasen: Markets (NYK)
Cc: Logozzo, Joseph: Markets (NYK); Moreira, Nicholas: EDG (NYK); Chapman, Paul: Operations (LDN); Rodefelf, John: Operations (NYK)
Subject: Re: Long Island Asset Booking.

Thank you, Mark. At this point we assume the balance sheet from Lehman is only US. If anyone has a better view that would be helpful. The admittedly desperate plan at this point would be to acquire through SPV of BBPLC in UK and sell to BCSL to recognize the MTM gain in BBPLC.

Is there anyway that could be achieved and if so what is the max period BBPLC Newco could hold the equities before transfer to another entity with proper EDG systems?

Thank you,

Beatrice

From: Rudduck, Mark: Markets (LDN)
To: Montaudy, Beatrice: Finance (NYK); Yang, Jasen: Markets (NYK)
Cc: Logozzo, Joseph: Markets (NYK); Moreira, Nicholas: EDG (NYK); Chapman, Paul: Operations (LDN); Rodefelf, John: Operations (NYK)
Sent: Thu Sep 18 06:48:55 2008
Subject: RE: Long Island Asset Booking.
I assume that you are talking about cash equity positions only ? Are they just US equities ? Pls clarify

The infrastructure for our equity business at Bar Cap is all set up so that we trade out of BCSL or BCI (for a certain subset of products).

We do not have an infrastructure in PLC that can support the booking of equities (system issues / feeds etc). Over the years there we have looked at what it would take to migrate the equities

business to PLC, but the cost / effort has always outweighed the benefit (and the project would take many months).

I will call you to discuss further.

Rgds
Mark

From: Montaudy, Beatrice: Finance (NYK)
Sent: 18 September 2008 11:13
To: Rudduck, Mark: Markets (LDN); Yang, Jasen: Markets (NYK)
Cc: Logozzo, Joseph: Markets (NYK)
Subject: Re: Long Island Asset Booking.

Hello Mark,

The context to this question was that, during the asset purchase price negotiations, it was essential to the valuation calculation that the "discount" between the value of the assets acquired and the purchase price NOT be subject to the 46% marginal US tax rate applicable to BCI. The purchase price negotiations assumed the assets would be purchased by BBPLC where all gains would be offset by BBPLC US tax losses and ONLY subject to a 28% UK tax. This assumption was based on the repeated and repeatedly reconfirmed aversions of the business and PCG people present at 745 7th on Tuesday am that "equities were de minimis" and all assets would be held for sale and liquidated quickly.

Obviously, the situation was not clear to anyone on Tuesday am but the assumptions made are still going forward in London.

US Tax recognized immediately Wed am that US Equities acquired to be used as part of BAU EDG activity would need to be booked in BCSL and gains subject to 46% tax as a result of current Transfwr pricing. The gain on the equities is day one 2.5 billion USD.

The info we need now (if possible by 9am NY time) is how could these equity assets possibly be acquired by BBPLC or a UK SPV sub of BBPLC (as was essential to the purchase price valuation and is still currently the plan in London?) Is there any way, leaving aside the US tax risks now in doing so, that this could even be done logistically/system wise for 8.8 BILLION of longs and over 6 BILLION of shorts?? Can an immediate manual solution a la HYMF be devised for Friday?

Or do we now need to assume the equities MUST be acquired by BCSL?

I appreciate your quick response below as I know this is a stressed time.

Thank you,

Beatrice

From: Rudduck, Mark: Markets (LDN)
To: Yang, Jasen: Markets (NYK); Montaudy, Beatrice: Finance (NYK)
Cc: Logozzo, Joseph: Markets (NYK)
Sent: Thu Sep 18 04:20:49 2008
Subject: FW: Long Island Asset Booking.

Jasen, Beatrice,

I don't have all the context / background as to what exactly the proposal is / what info you're after.

To the extent that your questions relate to US trading operations, Joe Logozzo can answer the detail for Equities trading (including derivatives). In short though our equity derivative trading in the US is conducted out of BCSL, with CBs and some equities traded out of our US broker dealer, BCI.

To the extent that your questions relate to Global trading operations, there's a significant number of legal entities that we use over the globe in Equities so this would be a significant undertaking. I can help channel this if required ?

I'd be grateful if you'd clarify exactly what info you need and Joe or I will be happy to help.

Thks
Mark

From: Joshi, Dixit: EDG (LDN)
Sent: 18 September 2008 09:03
To: Rudduck, Mark: Markets (LDN)
Subject: FW: Long Island Asset Booking.

Can we get onto this

From: Yang, Jasen: Markets (NYK)
Sent: Thursday, September 18, 2008 12:09 AM
To: Warren, Doug: Credit Derivatives (NYK); Joshi, Dixit: EDG (LDN); Duff, Mimi: Fixed Income (NYK); Dearlove, Mark: Markets (LDN)

Cc: King, Stephen: Markets (NYK); Grbic, Susan: Finance (NYK); Montaudy, Beatrice: Finance (NYK); King, Samantha J: M&A Tax (LDN)

Subject: FW: Long Island Asset Booking.

Doug, Dixit, Mimi, Mark,

Can you guys take a look at the questions below from Tax and see if you can answer or get information from your COOs? Trying to determine limitations on ability to book assets through different legal entities.

Jasen

From: Montaudy, Beatrice: Finance (NYK)
Sent: Wednesday, September 17, 2008 4:52 PM
To: Yang, Jasen: Markets (NYK)
Cc: King, Stephen: Markets (NYK); Grbic, Susan: Finance (NYK); King, Samantha J: M&A Tax (LDN)
Subject: Long Island Asset Booking.

Hello Jasen,

We have been advised Barclays will be acquiring the following asset classes from Lehman Brothers.

GOV & AGENCY
COMMERICAL PAPER
CORP. DEBT
CORP EQUITY
DERIVATIVES
MORTGAGES
COLLATERIZED ST AGREEMENTS

In order to support the tax analysis, we will need to know for each asset class the following information:

1. In what entity is Barclays currently conducting its activities in the acquired assets?
2. Are there any regulatory restrictions with respect to booking the assets in the London or NY branch of BBPlc?
3. Who will be responsible for trading the acquired assets? **By which Barclays entity is that person currently employed? Is there any regulatory reason why that person cannot be employed by the branch.**
4. How will Barclays be holding the assets after acquisition date? (Tax had been advised Monday that the plan was to sell all the acquired assets in a short time frame.) However, if the plan is now to hold acquired assets as inventory in connection with current Barclays' customer businesses that needs to be clarified and explained.
5. If Barclays does not have a current business to which the assets relate and the assets will be "warehoused" at BBplc that needs to be explained and any timeframes for holding at BBplc estimated.
6. If known, what is the current transfer pricing arrangement that covers this activity?
7. Are there any other issues, that prevent these assets from being booked in BBPLC London or in NY? (Funding, Capital, etc.)

Thank you for your assistance.

Please do not hesitate to contact either Susan or myself if there are any questions on what is meant by any of these items.

KR,

Beatrice

A. 62

From: Yeung, Brian [brian.yeung@lehman.com]. Sent: 9/18/2008 5:32 PM.
To: Kelly, Martin [martin.kelly@lehman.com].
Cc: .
Bcc: .
Subject: LBI BS - 9.17.08 .

Hi Martin -

Attached is the file Rose asked me to send to you.

<<LBI BS_917_V with adjustment.xls>>

Regards,

Brian Yeung

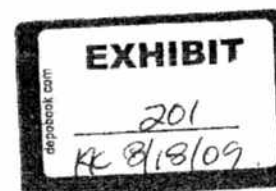
Lehman Brothers

1301 Avenue of Americas, 4th Floor

New York, NY 10019

* 212.320.6560

* brian.yeung@lehman.com



Lehman Brother Inc.
Balance Sheet as of September 17, 2008
(\$ in millions)

LIABILITIES:

	08/31/08	09/17/08	Notes	Transaction Adjustments	Balance Sheet Transferred	Balance Sheet Remaining	Purchase Agreement
S.T. BORROWINGS & CURRENT PORTION OF L.T. BORROWINGS	308	531	Per Treasury			531	
FINL INSTR & OTHER INV POSNS SOLD BUT NOT PURCHASED					20,024	-	21,000
GOVERNMENTS & AGENCIES	35,955	20,024				-	
TOTAL COMM PAPER & OTHER MKMT INSTRUMENTS	19	24				-	
MORTGAGES & ASSET-BACKED SEC	2,170	1,740			1,740	-	2,100
TOTAL CORPORATE DEBT & OTHER	6,264	5,619			5,619	-	6,300
TOTAL CORPORATE EQUITIES	2,084	1,660			1,660	-	4,500
DERIV & OTHER CONTR AGREEMENTS	46,492	29,067	Per H Ziff Inventory File		29,067	-	33,900
TOTAL SEC & OTHER FIN INSTR SOLD NOT PURCH.						-	
COLLATERALIZED SHORT-TERM FINANCING	107,954	74,802	Per A. Aberdeen Financing File		55,776	18,826	34,500
PAYABLES							
COMPENSATION PAYABLE	360	520		1,000	1,520	-	
TRADE LIABILITIES	423	400		383	783	-	
OTHER	22,095	16,026	Per 8/31 GL Prg. to Clearing Organizations \$0.4B. Per H Ziff GFS File PTD \$4.2B. Per J Polarisano Customer Pay \$11B. Per GL Taxes \$0.4B			16,026	4,300
DUE TO SUBSIDIARIES							
FTR with LBIE	290	10,720				10,720	
REPO with LBHI	20,732	-				-	
REPO with LBIE	13,469	16,194				16,194	
REPO with LBSF	1,608	5,032				5,032	
REPO with Bankhaus	1,351	350				350	
REPO with LBF	1,391	1,351				1,351	
REPO with Lehman RE	273	273				273	
REPO with LBB	2,185	-				-	
REPO with LBCB	2,918	-				-	
REPO with LOTC	759	-				-	
STOCK LOAN with LBIE	39,216	9,209				9,209	
STOCK LOAN with LBSF	2,051	2,979				2,979	
STOCK LOAN with LB LUX	20,664	-				-	
PAYABLE with LBIE	-	4,571				4,571	
PAYABLE with LBCC	554	606				606	
PAYABLE with LBSF	100	737				737	
PAYABLE with LBJ	283	444				444	
PAYABLE with LBCB	-	122				122	
PAYABLE with LBHI	707	-				-	
Other Receivables <\$50mm	4,895	731				731	
	113,446	53,319			-	53,319	
LONG-TERM DEBT:							
SENIOR NOTES	7,043	7,051	Per Treasury \$6.5B is intercompany			7,051	
SUBORDINATED NOTES	7,043	7,051				7,051	
TOTAL LONG-TERM DEBT	298,121	181,516			87,146	95,753	72,700
TOTAL LIABILITIES							
STOCKHOLDERS' EQUITY							
ADDITIONAL PAID IN CAPITAL	3,866	3,866				3,866	
RETAINED EARNINGS	306	(1,045)				(1,045)	
OTHER STOCKHOLDERS' EQUITY, NET	23	23				23	
TOTAL STOCKHOLDERS' EQUITY	4,195	2,844				2,844	
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	302,316	184,360			87,146	98,597	72,700
Out of Balance	-	(1,558)			-	(1,558)	

Lehman Brother
Balance Sheet as of September 17, 2008
(\$ in millions)

<u>ASSETS:</u>	<u>08/31/08</u>	<u>09/17/08</u>	<u>Notes</u>	<u>Transaction Adjustments</u>	<u>Balance Sheet Transferred</u>	<u>Balance Sheet Remaining</u>	<u>Purchase Agreement</u>
CASH & CASH EQUIVALENTS	268	412			412	-	700
CASH & SECURITIES SEGR. AND ON DEPOSIT	8,550	4,740	Per L. Nazimov's \$1.9B customer cash locked up for 15c3 \$1.9B Futures customer cash set aside in MMK Mutual Funds. \$1B of Good Faith Deposits with Exchanges per GL.			4,740	
FINANCIAL INSTR. & OTHER INVENTORY POSITIONS OWNED							
GOVERNMENTS & AGENCIES	30,225	37,214			37,214	-	40,000
TOTAL COMM PAPER & OTHER MKKT INSTRUMENTS	1,158	958			958	-	1,100
MORTGAGES & ASSET-BACKED SEC	6,499	5,972			2,986	2,986	2,700
TOTAL CORPORATE DEBT & OTHER	5,422	4,839			4,839	-	4,900
TOTAL CORPORATE EQUITIES	9,256	6,758			6,758	-	8,800
DERIVATIVES AND OTHER CONTR. AGREEMENTS	2,758	3,566			3,566	-	4,500
TOTAL SECURITIES & OTHER FIN INSTR. OWNED	55,318	59,307	Per H Ziff Invention File		56,321	2,986	62,000
COLLATERALIZED SHORT-TERM AGREEMENTS							
RECEIVABLES	155,876	30,337	Per A. Abedeen Financing File		30,337	0	10,000
	14,383	29,920	Per P. Tansson Rec from Clearing Organization of \$2.4B. Per H Ziff QIS File FTD \$12.5B. Per J Potenciano Customer Rec \$14.3B			29,920	
OTHER ASSETS	363	317	Per GL - PPE \$39mm, Goodwill \$131mm		76	241	
INVESTMENT IN CONS. SUBS	1,924	1,592				1,592	
DUE FROM SUBSIDIARIES							
FTD with LBIE	2,500	8,248				8,248	
REVERSE REPO with LBIE	2,061	13,822				874	
REVERSE REPO with LBSF	1,603	6,504				13,822	
REVERSE REPO with LCPI	7,985	6,341				6,504	
REVERSE REPO with LBHI	352	424				6,341	
REVERSE REPO with LB I Group	122	122				424	
STOCK BORROW with LBF	129	85				122	
STOCK BORROW with LBIF	44,849	12,902				85	
STOCK BORROW with LBSF	4,235	4,479				12,902	
STOCK BORROW with LB I Group	179	122				4,479	
RECEIVABLE with LBHI	-	2,081				122	
RECEIVABLE with LBIE	140	-				3,464	
Other Receivables <\$50mm	1,601	172				-	
	65,634	56,176				57,559	
TOTAL ASSETS	302,316	182,802			87,146	97,039	72,700

A. 63

From: Hauzenberg, Rose [rhauzenb@lehman.com]. Sent: 9/18/2008 7:27 PM.
To: Kelly, Martin [martin.kelly@lehman.com]; Wong, Kristie [Kristie.Wong@lehman.com].
Cc: .
Bcc: .
Subject: LBI BS_917_V with adjustment.xls.

<<LBI BS_917_V with adjustment.xls>>

Martin

I added the \$141mm of Accred Comp Payable to Other Comp related and all other such as pension to trade payable.

Rose

Lehman Brother
Balance Sheet as of September 17, 2008

\$ in millions)

ASSETS:

	08/31/08	09/17/08	Notes	Transaction Adjustments	Balance Sheet Transferred	Balance Sheet Remaining	Purchase Agreement
CASH & CASH EQUIVALENTS	268	412				-	700
CASH & SECURITIES SEGR AND ON DEPOSIT	8,550	4,740	Per L. Nazimowitz \$1.9B customer cash locked up for 15c3. \$1.9B Futures customer cash set aside in MMK Mutual funds. \$1B of Good Faith Deposits with Exchanges per GL.			4,740	
FINANCIAL INSTR. & OTHER INVENTORY POSITIONS OWNED							
GOVERNMENTS & AGENCIES	30,225	37,214			37,214	-	40,000
TOTAL COMM PAPER & OTHER MMKT INSTRUMENTS	1,158	958			958	-	1,100
MORTGAGES & ASSET-BACKED SEC	6,499	5,972			2,986	2,986	2,700
TOTAL CORPORATE DEBT & OTHER	5,422	4,839			4,839	-	4,900
TOTAL CORPORATE EQUITIES	9,256	6,758			6,758	-	8,800
DERIVATIVES AND OTHER CONTR. AGREEMENTS	2,758	3,566			3,566	-	4,500
TOTAL SECURITIES & OTHER FIN INSTR OWNED	55,318	59,307	Per H.Ziff Inventory File		56,321	2,986	62,000
COLLATERALIZED SHORT-TERM AGREEMENTS							
RECEIVABLES	155,876	30,337	Per A. Abedeen Financing File		30,337	0	10,000
OTHER ASSETS	14,383	29,920	Per P. Tennyson Rec from Clearing Organizations of \$2.4B. Per H.Ziff GFS File FTD \$12.5B. Per J. Potenciano Customer Rec \$14.3B			29,920	
INVESTMENT IN CONS. SUBS	363	317	Per GL. PPE \$76mm. Goodwill \$133mm		76	241	
DUE FROM SUBSIDIARIES	1,924	1,592				1,592	
FTD with LBIE	2,500	8,248				8,248	
FTD with LBHI		874				874	
REVERSE REPO with LBIE	2,061	13,822				13,822	
REVERSE REPO with LBSF	1,603	6,504				6,504	
REVERSE REPO with LCPI	7,985	6,341				6,341	
REVERSE REPO with LBHI	352	424				424	
REVERSE REPO with LB I Group		122				122	
REVERSE REPO with LBF	129	85				85	
STOCK BORROW with LBIE	44,849	12,902				12,902	
STOCK BORROW with LBSF	4,235	4,479				4,479	
STOCK BORROW with LB I Group	179	122				122	
RECEIVABLE with LBHI	-	2,081		1,804		3,885	
RECEIVABLE with LBIE	140	-				-	
Other Receivables <\$50mm	1,601	172				172	
	65,634	56,176				57,980	
TOTAL ASSETS	302,316	182,802			87,146	97,460	72,700

Lehman Brother
Balance Sheet as of September 17, 2008
\$ in millions)

LIABILITIES:

	08/31/08	09/17/08	Notes	Transaction Adjustments	Balance Sheet Transferred	Balance Sheet Remaining	Purchase Agreement
S.T. BORROWINGS & CURRENT PORTION OF L.T. BORROWINGS	308	531	Per Treasury			531	
FIN'L INSTR & OTHER INV POSNS SOLD BUT NOT PURCHASED							
GOVERNMENTS & AGENCIES	35,955	20,024			20,024	-	21,000
TOTAL COMM PAPER & OTHER MMKT INSTRUMENTS	19	24			24	-	
MORTGAGES & ASSET-BACKED SEC	2,170	1,740			1,740	-	2,100
TOTAL CORPORATE DEBT & OTHER	6,264	5,619			5,619	-	6,300
TOTAL CORPORATE EQUITIES	2,084	1,660			1,660	-	4,500
DERIV & OTHER CONTR AGREEMENTS	46,492	29,067	Per H.Ziff Inventory File		29,067	-	33,900
TOTAL SEC & OTHER FIN INSTR SOLD NOT PURCH.	107,954	74,602	Per A. Aberdeen Financing File		55,356	19,246	34,500
COLLATERALIZED SHORT-TERM FINANCING							
PAYABLES							
BONUS PAYABLE	-	-		1,500	1,500	-	
OTHER COMPENSATION RELATED PAYABLES	278	440			440	-	
TRADE LIABILITIES	423	479				-	
OTHER	22,455	16,027	Per 8/31 G/L Pay to Cleaning Organizations \$0.5B; Per H.Ziff/GFS File FTD \$4.2B; Per J. Potenciano Customer Pay \$11B; Per G/L Taxes \$0.4B	304	783	-	4,300
DUE TO SUBSIDIARIES							
FTR with LBIE	290	10,720				10,720	
REPO with LBHI	20,732	-				-	
REPO with LBIE	13,469	16,194				16,194	
REPO with LBSF	1,608	5,032				5,032	
REPO with Bankhaus	1,351	350				350	
REPO with LBF	1,391	1,351				1,351	
REPO with Lehman RE	273	273				273	
REPO with LBB	2,185	-				-	
REPO with LBCB	2,918	-				-	
REPO with LOTC	759	-				-	
STOCK LOAN with LBIE	39,216	9,209				9,209	
STOCK LOAN with LBSF	2,051	2,979				2,979	
STOCK LOAN with LB LUX	20,664	-				-	
PAYABLE with LBIE	-	4,571				4,571	
PAYABLE with LBCC	554	606				606	
PAYABLE with LBSF	100	737				737	
PAYABLE with LBJ	283	444				444	
PAYABLE with LBCB	-	122				122	
PAYABLE with LBHI	707	-				-	
Other Receipts <\$50mm	4,895	731				731	
	113,446	53,319				53,319	
LONG-TERM DEBT:							
SENIOR NOTES							
SUBORDINATED NOTES	7,043	7,051	Per Treasury \$6.5B is intercompany			7,051	
TOTAL LONG-TERM DEBT:	7,043	7,051				7,051	
	298,121	181,516			87,146	96,174	72,700
TOTAL LIABILITIES							
STOCKHOLDERS' EQUITY							
ADDITIONAL PAID IN CAPITAL	3,866	3,866				3,866	
RETAINED EARNINGS	306	(1,045)				(1,045)	
OTHER STOCKHOLDERS' EQUITY, NET	23	23				23	
TOTAL STOCKHOLDERS' EQUITY	4,195	2,844				2,844	
	302,316	184,360			87,146	99,018	72,700
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY							
Out of Balance	-	(1,558)				(1,558)	

A. 64

Unknown

Sent: Wednesday, March 25, 2009 10:31 AM

From: Hauzenberg, Rose [rhauzenb@lehman.com]
Sent: Thursday, September 18, 2008 11:33 PM (GMT)
To: Kelly, Martin [martin.kelly@lehman.com]; Wong, Kristie [Kristie.Wong@lehman.com]
Subject: RE: LBI BS_917_V with adjustment.xls
Attach: LBI BS_917_V with adjustment.xls

Adjusted for 141

I changed the Trade payable to \$1B for the changes on LBI

<<LBI BS_917_V with adjustment.xls>>

>
> _____
> From: Kelly, Martin
> Sent: Thursday, September 18, 2008 7:31 PM
> To: Wong, Kristie; Hauzenberg, Rose
> Subject: RE: LBI BS_917_V with adjustment.xls
>
> OK
>
> _____
> From: Wong, Kristie
> Sent: Thursday, September 18, 2008 7:29 PM
> To: Hauzenberg, Rose; Kelly, Martin
> Subject: RE: LBI BS_917_V with adjustment.xls
>
> Do not use. We are taking the \$141 out.
>
> _____
> From: Hauzenberg, Rose
> Sent: Thursday, September 18, 2008 7:27 PM
> To: Kelly, Martin; Wong, Kristie
> Subject: LBI BS_917_V with adjustment.xls
>
> << File: LBI BS_917_V with adjustment.xls >>
> Martin
>
> I added the \$141mm of Accred Comp Payable to Other Comp related and
> all other such as pension to trade payable.
>
> Rose

7/15/2009

10252963

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	Lehman Brother Inc.													
2	Balance Sheet as of September 17, 2008													
3	(\$ in millions)													
4		08/31/08		09/17/08		Notes								
5	ASSETS:													
6														
7	CASH & CASH EQUIVALENTS	268		412						412				700
8	CASH & SECURITIES SEGR. AND ON DEPOSIT	8,550		4,740		Per L. Nazimowitz \$1.9B customer cash locked up for 15c3. \$1.9B Futures customer cash set aside in MMK Mutual funds. \$1B of Good Faith Deposits with Exchanges per GL.						4,740		
9														
10	FINANCIAL INSTR. & OTHER INVENTORY POSITIONS OWNED													
11	GOVERNMENTS & AGENCIES	30,225		37,214						37,214				40,000
12	TOTAL COMM PAPER & OTHER MMKT INSTRUMENTS	1,158		958						958				1,100
13	MORTGAGES & ASSET-BACKED SEC	6,499		5,972						2,986				2,700
14	TOTAL CORPORATE DEBT & OTHER	5,422		4,839						4,839				4,900
15	TOTAL CORPORATE EQUITIES	9,256		6,758						6,758				8,800
16	DERIVATIVES AND OTHER CONTR. AGREEMENTS	2,758		3,566						3,566				4,500
17	TOTAL SECURITIES & OTHER FIN INSTR OWNED	55,318		59,307		Per H.Ziff Inventory File				56,321				62,000
18														
19	COLLATERALIZED SHORT-TERM AGREEMENTS RECEIVABLES	155,876		30,337		Per A. Abedeen Financing File				30,337		0		10,000
20		14,383		29,920		Per P. Tennyson Rec from Clearing Organizations of \$2.4B; Per H.Ziff GFS File FTD \$12.5B; Per J. Polenciano Customer Rec \$14.3B						29,920		
21	OTHER ASSETS	363		317		Per GL. PPE 576mm; Goodwill \$133mm				76		241		
22	INVESTMENT IN CONS. SUBS	1,924		1,592								1,592		
23	DUE FROM SUBSIDIARIES													
24	FTD with LBIE	2,500		8,248								8,248		
25	FTD with LBHI			874								874		
26	REVERSE REPO with LBIE	2,061		13,822								13,822		
27	REVERSE REPO with LBSF	1,603		6,504								6,504		
28	REVERSE REPO with LCPI	7,985		6,341								6,341		
29	REVERSE REPO with LBHI	352		424								424		
30	REVERSE REPO with LB I Group			122								122		
31	REVERSE REPO with LBF	129		85								85		
32	STOCK BORROW with LBIE	44,849		12,902								12,902		
33	STOCK BORROW with LBSF	4,235		4,479								4,479		
34	STOCK BORROW with LB I Group	179		122								122		
35	RECEIVABLE with LBHI	-		2,081				1,786				3,867		
36	RECEIVABLE with LBIE	140		-								-		
37	Other Receivables <\$50mm	1,601		172								172		
38		65,634		56,176								57,962		
39														
40														
41	TOTAL ASSETS	302,316		182,802						87,146		97,442		72,700

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	Lehman Brother Inc.														
2	Balance Sheet as of September 17, 2008														
3	(\$ in millions)														
4		08/31/08	09/17/08				Notes		Transaction Adjustments		Balance Sheet Transferred		Balance Sheet Remaining		Purchase Agreement
11	LIABILITIES:														
14	S.T. BORROWINGS & CURRENT PORTION OF L.T. BORROWINGS	308	531				Per Treasury						531		
15	FINL INSTR & OTHER INV POSNS SOLD BUT NOT PURCHASED														
16	GOVERNMENTS & AGENCIES	35,955	20,024								20,024		-		21,000
17	TOTAL COMM PAPER & OTHER MMKT INSTRUMENTS														
18	MORTGAGES & ASSET-BACKED SEC	19	24								24		-		2,100
19	TOTAL CORPORATE DEBT & OTHER	2,170	1,740								1,740		-		6,300
20	TOTAL CORPORATE EQUITIES	6,264	5,619								5,619		-		4,500
21	DERIV & OTHER CONTR AGREEMENTS	2,084	1,660								1,660		-		33,900
22	TOTAL SEC & OTHER FIN INSTR SOLD NOT PURCH.	46,492	29,067				Per H.Ziff Inventory File				29,067		-		34,500
23	COLLATERALIZED SHORT-TERM FINANCING	107,954	74,602				Per A. Abedem Financing File				55,574		19,228		
24	PAYABLES														
25	BONUS PAYABLE	-	-						1,500		1,500		-		
26	OTHER COMPENSATION RELATED PAYABLES	278	205								205		-		
27	TRADE LIABILITIES	423	714						286		1,000		-		
28	OTHER	22,455	16,027				Per 8/31 G/L Pay to Clearing Organizations \$0.5B; Per H.Ziff GFS File FTD \$4.2B; Per J. Puenciano Customers Pay \$11B; Per G/L Taxes \$0.4B						16,027		4,300
29	DUE TO SUBSIDIARIES														
30	FTR with LBIE	290	10,720										10,720		
31	REPO with LBHI	20,732	-										-		
32	REPO with LBIE	13,469	16,194										16,194		
33	REPO with LBSF	1,608	5,032										5,032		
34	REPO with Bankhaus	1,351	350										350		
35	REPO with LBF	1,391	1,351										1,351		
36	REPO with Lehman RE	273	273										273		
37	REPO with LBB	2,185	-										-		
38	REPO with LBCB	2,918	-										-		
39	REPO with LOTS	759	-										-		
40	STOCK LOAN with LBIE	39,216	9,209										9,209		
41	STOCK LOAN with LBSF	2,051	2,979										2,979		
42	STOCK LOAN with LB LUX	20,664	-										-		
43	PAYABLE with LBIE	-	4,571										4,571		
44	PAYABLE with LBCC	554	606										606		
45	PAYABLE with LBSF	100	737										737		
46	PAYABLE with LBI	283	444										444		
47	PAYABLE with LBCB	-	122										122		
48	PAYABLE with LBHI	707	-										-		
49	Other Receivables <\$50mm	4,895	731										731		
50		113,446	53,319								-		53,319		
51	LONG-TERM DEBT:														
52	SENIOR NOTES														
53	SUBORDINATED NOTES	7,043	7,051				Per Treasury \$6.5B is intercompany						7,051		
54	TOTAL LONG-TERM DEBT:	7,043	7,051										7,051		
55															
56	TOTAL LIABILITIES	298,121	181,516								87,146		96,156		72,700
57															
58	STOCKHOLDERS EQUITY														
59	ADDITIONAL PAID-IN CAPITAL	3,866	3,866										3,866		
60	RETAINED EARNINGS	306	(1,045)										(1,045)		
61	OTHER STOCKHOLDERS EQUITY, NET	23	23										23		
62	TOTAL STOCKHOLDERS EQUITY	4,195	2,844										2,844		
63															
64	TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	302,316	184,360								87,146		99,000		72,700
65															
66	Out of Balance	-	(1,558)								-		(1,558)		
67															

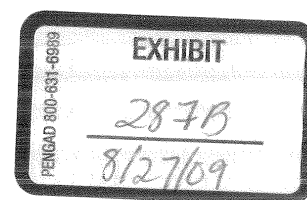
A. 65

From: Clackson, Patrick: Finance (LDN)
Sent: Thursday, September 18, 2008 9:48 PM
To: Ricci, Rich: Barclays Capital
Subject: FW: Pretty sure this is the thing you were looking for.
Attachments: Signed BS.pdf

so it looks like we have to pay them \$2bn min bonuses

From: Evans, Michael: HR (LDN)
Sent: 19 September 2008 02:32
To: Clackson, Patrick: Finance (LDN); Cox, Archie: Barclays Capital (NYK)
Subject: Pretty sure this is the thing you were looking for.

here is all we could find; note the 2.0 for compensation under liabilities



A. 66

From: Blackwell, Alastair [ablackwe@lehman.com]. Sent: 9/18/2008 11:32 PM.
To: Lowitt, Ian T [ilowitt@lehman.com]; Tonucci, Paolo [paolo.tonucci@lehman.com].
Cc:
Bcc:
Subject: Fw:

----- Original Message -----

From: Hraska, James W
To: Blackwell, Alastair
Sent: Thu Sep 18 23:28:40 2008
Subject: RE:

Without margin we are 1.5B short
With margin we owe them 7B

We have 14b in the box so this is what we are trying to do

Take a loan from chase
Book a tri to them and fill with cash

Still hope

-----Original Message-----

From: Blackwell, Alastair
Sent: Thursday, September 18, 2008 11:25 PM
To: Hraska, James W
Subject:

What's the latest

Exhibit
67B
KK 8-7-09

A. 67

Management of the Unencumbered Asset Gap

Objective: Delivery to BCI of \$1.95Bn of unencumbered collateral by COB Friday 19th September

Current Status Summary:

		Amount	Outstanding Actions	Action Owner
1.	Actual Delivery EOD Friday	\$1.09Bn	Validation of Settled v Unsettled of TriParty at BoNY	J.Hraska
2.	Additional 074 DTCC Depot (ADP/TMS)	\$863m	Validated	
3.	Additional 636 DTCC Depot (FI)	\$301m	Validated	
4.	Additional Euroclear 22780	\$32m	Validated	
5.	Additional Canadian Assets	\$4m	Validated	
	Total Unencumbered Collateral	\$2.290Bn		
	Surplus	\$340m	Subject to removal of unsettled Assets in TriParty list	

Methodology Employed:

- Actual Delivery EOD Friday (\$800m - \$1Bn)
 - The financing desk pledged all unencumbered 074 assets at start of day Sept 19th (as determined by front end financing systems) to the BoNY Triparty.
 - Additional unencumbered collateral became available via intra day delivers. This was also pledged to BoNY Triparty by the desk. This ceased once Chase froze accounts.
 - Due to system limitations the current \$1.09Bn balance shown requires validation using the actual TriParty account list when available from BoNY to determine any unsettled positions.
- On Saturday Sept. 20th GFS data (processed for COB 19th) was utilized to identify unencumbered collateral (not sourced by the front end financing systems). Collateral was reviewed to ascertain value and location. Findings below;

Exhibit
93B
8/20/09

DTCC Depositories for LBI:

074 – TMS&ADP

- Collateral was found in both 931 Firm Account Range & Stock Loan Accounts
- Market Value = \$863m

636 – Fixed Income / MTS

- Stock Record review from Mainframe (MTS)
- Account 636 (Firm Inventory: primarily mortgage collateral)
- Market Value = \$301m

LBI Euroclear Account

- LBI Euroclear 22780 = \$32m

Canadian Assets

- Market Value = \$3.55m

A. 68

BARCLAYS CAPITAL INC.
200 Park Ave.
New York, NY 10166

September 19, 2008

VIA TELECOPIER
AND COURIER

Lehman Brothers Inc.
Three World Financial Center, 12th Floor
New York, NY 10285-1200
Attn: Robert H. Bing, Central Funding

With a copy to:
745 Seventh Avenue
New York, NY 10019
Attn: Documentation Manager

With a copy to:
Lehman Brothers Inc.
1271 Sixth Avenue
New York, NY
Attn: General Counsel

Re: Notice of Repurchase Date
Notice of Termination

Ladies and Gentlemen:

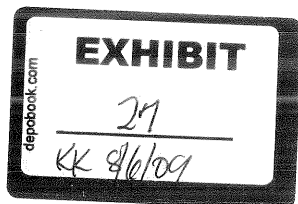
Reference is made to the Master Repurchase Agreement dated as of July 23, 1998, together with all annexes, confirmations and schedules thereto, and as the same have been amended, supplemented and otherwise modified as of the date first written above (collectively, the "MRA") between Lehman Brothers Inc. ("Lehman" or "you") and Barclays Capital Inc. ("BCI"). Capitalized terms used herein but not defined herein shall have the respective meaning assigned to such terms in the MRA.

You are hereby notified that as a result of the occurrence of an Act of Insolvency relating to Lehman, an Event of Default has occurred and is continuing under paragraph 11(v) of the MRA. As a result of the foregoing, an Event of Default has automatically been declared under paragraph 11(a) of the MRA. The Repurchase Date for each Transaction under the MRA is the date of this notice.

You are further notified, pursuant to paragraph 15(a), that BCI terminates the MRA with immediate effect.

Lehman is further notified that (i) BCI has other rights and remedies under applicable law and the MRA (including but not limited to those rights specified under Paragraphs 11(b), 11(d)(i), 11(g) and 11(h) of the MRA), (ii) all such rights and remedies are hereby reserved and no such rights have been waived, abandoned, discontinued or in any other manner precluded

Highly Confidential




BCI-EX-00109164

from exercise, and (iii) the failure to exercise any such right or remedy shall not constitute (or be deemed to constitute) any waiver, abandonment, discontinuation or other preclusion of the exercise thereof or of any other right or remedy of BCI.

This Notice shall be governed by and construed in accordance with the laws of the State of New York.

Very truly yours,

BARCLAYS CAPITAL INC.

By: 
Name: Michael Montgomery
Title:

Cc: Alan Kaplan, Deputy General Counsel, Americas

A. 69

Administrator

Sent: Wednesday, March 25, 2009 10:30 AM

From: Kelly, Martin [martin.kelly@lehman.com]
Sent: Friday, September 19, 2008 4:32 AM (GMT)
To: O'Meara, Chris M (NY) [comeara@lehman.com]
Subject:
Attach: LBI BS_917_V with adjustment (4).xls

<<LBI BS_917_V with adjustment (4).xls>>

Martin Kelly
Managing Director
Lehman Brothers Inc
Ph 212 526 3606

10283530

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	Lehman Brother Inc.													
2	Balance Sheet as of September 17, 2008													
3	(\$ in millions)													
4		983,108	691,708			Notes				Balance Sheet Transferred		Balance Sheet Remaining	Purchase Agreement	
43	LIABILITIES:													
44														
45	3.1 BORROWINGS & CURRENT PORTION OF L.T. BORROWINGS	308	331		Per Treasury							331		
46	FINV INSTR & OTHER INV POSNS SOLD BUT NOT PURCHASED													
47	GOVERNMENT & AGENCIES	35,955	20,024							20,024			21,000	
48	TOTAL GOVERNMENT & AGENCY INSTRUMENTS													
49	MORTGAGES & ASSET-BACKED SEC	19	24							24			2,100	
50	TOTAL CORPORATE DEBT & OTHER	2,170	1,740							1,740			6,300	
51	TOTAL CORPORATE DEBT & OTHER	6,264	5,619							5,619			4,500	
52	DERIV & OTHER CONTR AGREEMENTS	2,084	1,660							1,660			33,900	
53	TOTAL SEC & OTHER FIN INSTR SOLD NOT PURCH	46,492	29,067		Per H2M Treasury File					29,067				
54	COLLATERALIZED SHORT-TERM FINANCING	107,954	74,602		Per A. Absent Financing File					53,829		20,773	34,500	
55	PAYABLES													
56	Bonus payable	-	-							2,000				
57	Cash payments/accrued payable	701	605							1,645				
58	OTHER	22,455	16,341		Per B31 OL Pay to Clearing Organization \$0.58 Per H2M OES File \$0.15 Per / Pension Client					0		16,341	4,300	
59														
60														
61	DUE TO SUBSIDIARIES													
62	FTR with LABS	290	10,720									10,720		
63	REPO with LBHI	20,732	-									-	16,194	
64	REPO with LBHI	13,469	16,194									16,194	5,072	
65	REPO with LBHI	1,608	5,032									5,032	350	
66	REPO with BankAmerica	1,351	1,351									1,351	1,351	
67	REPO with LBHI	1,351	1,351									1,351	273	
68	REPO with Lehman RE	213	-									-	-	
69	REPO with LBHI	2,183	-									-	-	
70	REPO with LBHI	759	-									-	-	
71	REPO with LBHI	39,216	9,209									9,209	2,979	
72	STOCK LOAN with LBHI	2,051	2,979									2,979	-	
73	STOCK LOAN with LBHI	20,664	-									-	-	
74	PAYABLE with LBHI	4,511	4,511									4,511	606	
75	PAYABLE with LBHI	554	606									606	737	
76	PAYABLE with LBHI	100	444									444	122	
77	PAYABLE with LBHI	283	122									122	-	
78	PAYABLE with LBHI	-	-									-	-	
79	PAYABLE with LBHI	702	731									731	53,319	
80	PAYABLE with LBHI	4,893	33,319									33,319	-	
81	Other Receivable \$50mm	113,446	-									-	-	
82														
83	LONG-TERM DEBT:													
84	SENIOR NOTES	7,043	7,051		Per Treasury \$0.15 is not recognized							7,051	-	
85	SUBORDINATED NOTES	7,043	7,051									7,051	-	
86	TOTAL LONG-TERM DEBT:	181,516	-									-	-	
87														
88	TOTAL LIABILITIES	298,121	181,516							87,146		59,015	72,700	
89														
90														
91														
92	STOCKHOLDERS' EQUITY													
93	ADDITIONAL PAID IN CAPITAL	3,866	3,866									3,866	(1,043)	
94	RETAINED EARNINGS	306	(1,043)									23	2,844	
95	OTHER STOCKHOLDERS' EQUITY, NET	23	23									23	-	
96	TOTAL STOCKHOLDERS' EQUITY	4,195	2,844									2,844	-	
97														
98	TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	302,316	184,360							87,146		100,859	72,700	
99														
100	Out of Balance	-	(1,558)							-		(1,558)	-	
101														

177725

A. 70

From: Scott, Teri: Finance (NYK)
Sent: Fri, 19 Sep 2008 06:25:11 GMT
Stone, Jonathan: Barclays Treasury (LDN); Storey, Miles: Barclays Treasury (LDN); Sillett, Jez: Barclays Treasury (LDN); Dearlove, Mark: Markets (LDN);
To: Garcha, Sarvjeet: Treasury (LDN); Petrie, David: Markets (NYK); Wadlow, Scott: Treasury (LDN); Akhtar, Yaseen: Treasury (NYK); Maher, Brian: Treasury (SGP)
CC: Garcha, Sarvjeet: Treasury (LDN)
Subject: Fw: Lehman funding - Transactions summary

Re below

I will revert with more info after i speak with Ops to gain more insight

I understand that because of the \$ 7B shortfall of collateral described in John's email below, Ops had to pull all the collateral allocated to London and were therefore over our unsecured limit by \$1.9B. Part of this overage can also be attributed to EFG as they were unsecured by \$1B.

Will revert with more clarity in AM new york time

From: Haley, John: Operations (NYK)
To: Scott, Teri: Finance (NYK); LaRocca, Gerard: Barclays Capital (NYK); Walker, James: Finance (NYK); Westwood, Jai: Barclays Capital (NYK); Drubel, Elaine: Finance (NYK); Rodefelf, John: Operations (NYK); Beckenhaupt, Jim: Operations (NYK); Gavenda, TJ: Finance (NYK); Hughey, Matthew: Finance (NYK); Grbic, Susan: Finance (NYK); Morton, Marcus: Finance (NYK)
Cc: Garcha, Sarvjeet: Treasury (LDN)
Sent: Fri Sep 19 00:52:05 2008
Subject: RE: Lehman funding - Transactions summary

Thursday activity:

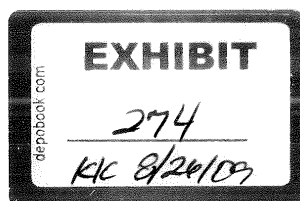
We have no traditional TriParty between Barclays and Lehman.

We funded 45b to Lehman against various collateral, we were expecting a total of 49.6 of collateral to cover this obligation:

27.25b in Fed collateral (US Govt, Agy & Agy MBS) was delivered to our account at BoNY

7.0b of 'cash subbed TriParty' pledged to us in our account at JP Chase. This was a result of difficulties in moving the remaining collateral to us, this will be completed Friday morning.

15.98b in DTC collateral in various asset classes:



<u>Collateral Type Total (MM)</u>	
Comm Stock	5,713
CMO	2,892
Corp Bds	1,873
ABS	1,611
ETF's	1,583
Convert	1,028
ADR's	501
Muni Bd	246
MTN	165
Conv Pref	136
FIC	51
Money Fd	47
Misc	43
Preferred	40
Comm Paper	30
15,959	

7.0b of 'cash subbed triparty' pledged to us in our account at JP Chase. This was a result of difficulties in moving the remaining collateral to us, this will be completed Friday morning.

We did hold up the system this evening to accomplish this activity and transaction will need to be adjusted in the morning. We expect to have this clean by batch tomorrow so the calc runs smoothly on Monday.

john

From: Scott, Teri: Finance (NYK)
Sent: Thursday, September 18, 2008 6:16 PM
To: LaRocca, Gerard: Barclays Capital (NYK); Walker, James: Finance (NYK); Westwood, Jai: Barclays Capital (NYK); Haley, John: Operations (NYK); Drubel, Elaine: Finance (NYK); Rodefelf, John: Operations (NYK); Beckenhaupt, Jim: Operations (NYK); Gavenda, TJ: Finance (NYK); Hughey, Matthew: Finance (NYK); Grbic, Susan: Finance (NYK); Morton, Marcus: Finance (NYK)

Cc: Garcha, Sarvjeet: Treasury (LDN)
Subject: FW: Lehman funding - Transactions summary
Importance: High

FYI

From: Scott, Teri: Finance (NYK)
Sent: Thursday, September 18, 2008 6:10 PM
To: Stone, Jonathan: Barclays Treasury (LDN)
Cc: Storey, Miles: Barclays Treasury (LDN); Sillett, Jez: Barclays Treasury (LDN); Dearlove, Mark: Markets (LDN); Garcha, Sarvjeet: Treasury (LDN); Petrie, David: Markets (NYK); Wadlow, Scott: Treasury (LDN); Akhtar, Yaseen: Treasury (NYK); Maher, Brian: Treasury (SGP)

Subject: Lehman funding - Transactions summary
Importance: High

Jon,

In speaking with Dave Petrie and Kevin Walker, the following summarizes the 2 trades with Lehman.

Barclays established a tri-party arrangement w/ JP Morgan Chase, Lehman, BBPLC on Monday

1) \$15.8b tri party with Lehman - overnight

- Trade has been on since Monday, initially at \$2b Mon, \$10b Tues and \$15.8B Wed
- Collateral held at JPM Chase. Ops were unable to re-hypothecate from this account and will be working to be able to get collateral into BONY to then re-hypothecate
- Reverse done on PLC NY Branch (Rick Frisbee)
- John Haley (US Ops) have advised that the transaction was unwound today, pending outcome of funding described in 2 below.

2) \$47b intraday requirement - one week term

- Lehman have collateral against 3 Fed programmes : OMO, PDCF and TSLF
- Fed would like Barclays to step into these transactions
- PLC to send cash to BCI, upto \$47b
- BCI will place cash with Lehman a/c at JPM Chase as part of reverse repo
- Fed will release collateral and pass to BCI
- BCI will place collateral with Fed against PDCF programme. Dave Petrie has received assurances from Fed that they will honour this transaction
- **A list of cusips to be excluded has been provided to ensure collateral we are not purchasing, is excluded in this transfer.**
- There is an intraday overdraft cap, but Fed have agreed to a temp increase if required
- The Repo desk is looking to replace the PDCF, Fed borrowing over the next 2 weeks

Operations will be sending me a summary of today's end position with Lehman once all the trades have settled. I expect sometime after 8PM NY Time, and I will forward onto this group.

Regarding the following:

- Funding the actual acquisition - I have spoken to Rupert and to our local Head of Tax and understand there is a group addressing this. I have asked to be include in the discussion, this way, we ensure we stay hooked up/in sync.
- Assessing funding needs/process after deal closes - BarCap Treasury will liaise/coordinate with the Mark's team.

Regards
Teri

\$47bn deal flow:

<< OLE Object: Picture (Metafile) >>